

**LAGENDA PROPERTIES BERHAD**

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)


**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	Note	(UNAUDITED)			(UNAUDITED)		
		INDIVIDUAL QUARTER		Changes Increase / (Decrease) RM'000	CUMULATIVE QUARTER		Changes Increase / (Decrease) RM'000
		1 JUL 2022 to 30 SEP 2022	1 JUL 2021 to 30 SEP 2021		1 JAN 2022 to 30 SEP 2022	1 JAN 2021 to 30 SEP 2021	
Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000	Preceding Year Corresponding Quarter RM'000	Current Financial Period RM'000	Preceding Year Corresponding Financial Period RM'000			
Revenue		180,719	185,217	(4,498)	632,015	584,442	47,573
Cost of sales		(118,380)	(111,854)	6,526	(397,127)	(357,334)	39,793
<b>Gross Profit</b>		<b>62,339</b>	<b>73,363</b>	<b>(11,024)</b>	<b>234,888</b>	<b>227,108</b>	<b>7,780</b>
Other income		13,116	4,353	8,763	19,852	20,852	(1,000)
Administrative expenses		(11,992)	(7,963)	4,029	(38,963)	(25,436)	13,527
Selling and marketing expenses		(7,319)	(4,036)	3,283	(19,846)	(13,012)	6,834
Other expenses		-	60	(60)	(1)	(442)	(441)
Finance costs		(4,083)	(3,375)	708	(10,547)	(10,443)	104
Share of result of associate, net of tax		(21)	-	21	(21)	-	21
<b>Profit before tax</b>		<b>52,040</b>	<b>62,402</b>	<b>(10,362)</b>	<b>185,362</b>	<b>198,627</b>	<b>(13,265)</b>
Income tax expense	B5	(16,429)	(16,865)	(436)	(52,409)	(54,596)	(2,187)
<b>Profit net of tax, representing total comprehensive income for the period</b>		<b>35,611</b>	<b>45,537</b>	<b>(9,926)</b>	<b>132,953</b>	<b>144,031</b>	<b>(11,078)</b>
<b>Earnings per share (EPS) (in sen)</b>							
Basic		4.27	5.74		15.91	18.14	
Diluted		3.57	4.32		13.29	13.65	

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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	(UNAUDITED) INDIVIDUAL QUARTER			(UNAUDITED) CUMULATIVE QUARTER		
	1 JUL 2022 to 30 SEP 2022	1 JUL 2021 to 30 SEP 2021	Changes Increase / (Decrease) RM'000	1 JAN 2022 to 30 SEP 2022	1 JAN 2021 to 30 SEP 2021	Changes Increase / (Decrease) RM'000
	Current Quarter RM'000	Preceding Year Corresponding Quarter RM'000		Current Financial Period RM'000	Preceding Year Corresponding Financial Period RM'000	
<b>Profit for the period</b>	35,611	45,537	(9,926)	132,953	144,031	(11,078)
<b>Total comprehensive income for the period</b>	<u>35,611</u>	<u>45,537</u>	(45,537)	<u>132,953</u>	<u>144,031</u>	(11,078)
<b>Total comprehensive income attribute to :</b>						
Owner of the Company	35,728	45,538	(9,810)	133,118	144,036	(10,918)
Non-controlling Interest	(117)	(1)	116	(165)	(5)	160
	<u>35,611</u>	<u>45,537</u>	(9,926)	<u>132,953</u>	<u>144,031</u>	(11,078)

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

**LAGENDA PROPERTIES BERHAD**(Registration No. 200101000008(535763-A))  
(Incorporated in Malaysia)**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022**

	<b>UNAUDITED AS AT 30 SEP 2022 RM '000</b>	<b>AUDITED AS AT 31 DEC 2021 RM '000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,696	11,054
Investment properties	22,922	22,922
Goodwill	25,576	25,576
Other investment	-	1,038
Investment in associates	479	-
Inventories	140,445	139,022
	<u>205,118</u>	<u>199,612</u>
<b>Current assets</b>		
Inventories	608,731	472,183
Contract assets	257,904	222,671
Trade receivables	383,011	271,075
Other receivables, deposits and prepayments	57,676	53,294
Deposits with licensed banks	58,033	37,839
Cash and bank balances	334,743	191,524
	<u>1,700,098</u>	<u>1,248,586</u>
<b>TOTAL ASSETS</b>	<u>1,905,216</u>	<u>1,448,198</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	333,171	314,551
Other reserves	(5,392)	(1,700)
Retained earnings	646,469	567,777
Equity attributable to owners of the Company	974,248	880,628
Non-controlling interests	(125)	(5)
<b>TOTAL EQUITY</b>	<u>974,123</u>	<u>880,623</u>
<b>Non-current liabilities</b>		
Borrowings	163,529	159,138
Lease liabilities	3,733	3,030
Deferred tax liabilities	565	923
Other payables	-	2,792
	<u>167,827</u>	<u>165,883</u>
<b>Current liabilities</b>		
Trade payables	313,465	195,493
Other payables and accruals	155,150	142,450
Contract liabilities	3,564	2,701
Borrowings	280,048	40,860
Lease liabilities	1,810	1,771
Tax liabilities	9,229	18,417
	<u>763,266</u>	<u>401,692</u>
<b>TOTAL LIABILITIES</b>	<u>931,093</u>	<u>567,575</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,905,216</u>	<u>1,448,198</u>
Net Assets per ordinary share (RM)	1.16	1.10

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

**LAGENDA PROPERTIES BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

	← Non-Distributable →		Distributable		
	Share capital RM '000	Other reserve RM '000	Retained earnings RM '000	Non- controlling interests RM '000	Total Equity RM '000
<b>As at 1 January 2022</b>	314,551	(1,700)	567,777	(5)	880,623
Profit/(loss) for the period	-	-	133,118	(165)	132,953
Transaction with owners of the Company:					
Additional investment in a subsidiary	-	-	-	45	45
Share-based payments/transactions	-	2,632	-	-	2,632
Dividend paid to the shareholders of the Company	-	-	(54,426)	-	(54,426)
RCPS dividend paid/payable during the period	-	(6,324)	-	-	(6,324)
Conversion of Warrant B	18,620	-	-	-	18,620
<b>As at 30 September 2022</b>	<u>333,171</u>	<u>(5,392)</u>	<u>646,469</u>	<u>(125)</u>	<u>974,123</u>
<b>As at 1 January 2021</b>	220,520	(5,864)	403,882	7,811	626,349
Profit/(loss) for the period	-	-	144,036	(5)	144,031
Transaction with owners of the Company:					
Issuance of shares pursuant to:-					
- Private placement	92,643	-	-	-	92,643
Dividend paid to the shareholders of the Company	-	-	(45,017)	-	(45,017)
Additional investment in a subsidiary	-	-	7,407	(7,807)	(400)
RCPS dividend paid/payable during the period	-	(5,296)	-	-	(5,296)
Conversion of RCPS	(3,540)	3,540	-	-	-
Conversion of Warrant B	1	-	-	-	1
Subscription of shares in subsidiary by non-controlling interest	-	-	-	30	30
<b>As at 30 September 2021</b>	<u>309,624</u>	<u>(7,620)</u>	<u>510,308</u>	<u>29</u>	<u>812,341</u>

The unaudited Condensed Consolidated Statement of Change in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

**LAGENDA PROPERTIES BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

	(UNAUDITED) 9 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 22 TO 30 SEP 22 RM '000	(UNAUDITED) PRECEDING YEAR CORRESPONDING FINANCIAL PERIOD 1 JAN 21 TO 30 SEP 21 RM '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Pofit before tax	185,362	198,627
Adjustments for :		
Accretion of interest income on deferred other receivable	(588)	(1,194)
Depreciation of property, plant and equipment	2,350	1,761
Fair value adjustment on investment properties	-	(6,416)
Bargain purchase on acquisition of a subsidiary	(7,632)	-
Gain on disposal of property, plant and equipment	(139)	(356)
Loss on remeasurement of lease liabilities	277	-
Interest expenses	10,547	13,914
Interest income	(1,880)	(2,405)
Reversal of impairment loss on other receivables	-	(246)
Share of results of associates	21	-
Share based payment expenses	2,632	-
<b>Operating profit before working capital changes</b>	190,950	203,685
Inventories	(95,548)	(11,354)
Contract assets	(34,371)	(48,135)
Receivables	(81,136)	(65,067)
Payables	109,826	(62,476)
<b>Cash generated from operations</b>	89,721	16,653
Interest received	1,880	2,405
Interest paid	(9,962)	(9,549)
Income tax paid	(61,955)	(40,263)
<b>Net cash generated from/(used in) operating activities</b>	19,684	(30,754)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Investment in subsidiaries	45	(400)
Deposit paid for lands held for future development	(34,055)	(13,292)
Acquisition of a subsidiary, net of cash flow	(17,322)	(15,511)
Purchase of property, plant and equipment	(4,953)	(2,285)
Proceeds from disposal of property, plant and equipment	139	420
Proceeds from subscription of shares by non-controlling interest	-	30
<b>Net cash used in investing activities</b>	(56,146)	(31,038)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to RCPS holders	(6,324)	-
Dividend paid to shareholders	(54,426)	(50,313)
Proceeds from private placement	-	92,642
Proceeds from conversion of warrant B	18,620	1
Drawdown/(Repayment) of borrowings	243,577	(15,899)
Payment for the principal portion of lease liabilities	(1,572)	(1,211)
Increase in fixed deposit pledged	(30,400)	(152)
Uplift on fixed deposit pledged to a bank	-	21,613
<b>Net cash generated from financing activities</b>	169,475	46,681
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	133,013	(15,111)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	225,778	188,930
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	358,791	173,819

The unaudited Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022 (Cont'd)

	(UNAUDITED) 9 MONTHS CURRENT FINANCIAL PERIOD 1 JAN 22 TO 30 SEP 22 RM '000	(UNAUDITED) PRECEDING YEAR CORRESPONDING FINANCIAL PERIOD 1 JAN 21 TO 30 SEP 21 RM '000
<b>Cash and cash equivalent comprises:</b>		
Cash and bank balances	315,324	53,982
Fixed deposits with licensed banks	58,033	63,386
Short term investments	19,419	60,020
	<u>392,776</u>	<u>177,388</u>
Less:		
Fixed deposits pledged with licensed banks	(33,985)	(3,569)
	<u>358,791</u>	<u>173,819</u>

The unaudited Condensed Consolidated Statement of Cashflow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A1. Basic of preparation

The interim financial report has been prepared in accordance with the Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting, the requirements of the Companies Act, 2016 in Malaysia, and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The financial statements should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached. These explanatory notes attached to the financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

### A2. Significant Accounting Policies

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The following are accounting standards, amendments and IC interpretations of the MFRS that have been issued by the MASB but are not yet effective and have not been adopted by the Group:-

#### MFRSs and/or IC Interpretations (Including The Consequential Amendments)

	Effective date
MFRS 17 : Insurance Contracts	1 January 2023
Amendments to MFRS 17 : Initial Application of MFRS 17 and MFRS 9	1 January 2023
Amendments to MFRS 101 : Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108 : Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16 : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company plan to apply the abovementioned standards, amendments, and interpretations when they become effective in the respective financial periods.

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

### A3. Comparatives

The comparative figures have not been restated.

### A4. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021.

### A5. Auditors’ Report on Preceding Annual Financial Statements

The Auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

### A6. Seasonal or cyclical factors

The business operations of the Group were not affected by any seasonal or cyclical factors.

### A7. Unusual items affecting Assets, Liabilities, Equity, Net income or Cash flow

There were no items or events that arose during the quarter under review, which affected assets, liabilities, equity, net income or cash flows that are unusual by reason of their nature, size or incidence.

### A8. Material changes in estimates

There were no changes in estimates that have had any material effect during the financial quarter under review.

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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A9. Debt and equity securities

As at 30 September 2022, the following shares have been issued and listed on the Main Market of Bursa Securities on the following dates as a result of the conversion of RCPS.

#### (a) RCPS

	(units)
RCPS in issuance - 12 August 2020	639,641,716
Conversion of RCPS - 25 August 2020	(170,000,000)
Conversion of RCPS - 21 January 2021	(250,000,000)
Allotment of RCPS - 03 August 2021	<u>76,550,572</u>
Balance of RCPS after conversion	<u>296,192,288</u>

Save as disclosed above, there were no further issuance, cancellations, repurchases, resale and repayment of debts and equity securities during the current quarter.

### A10. Dividend paid

On 26 September 2022, the Company paid a single-tier first interim dividend of 3.0 sen per ordinary shares amounting to RM25,119,815 in respect of the financial period ended 30 June 2022.

### A11. Segment Revenue and Segment Result By Business Segments

#### (a) Primary reporting format – business segment

All the operations of the Group are organised in Malaysia into three main business segments:

- (i) Property development - property development
- (ii) Construction - building construction
- (iii) Trading - trading of building materials and hardware

Transactions between segments were entered into the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transaction are eliminated on consolidation.

#### (b) Secondary reporting format – geographical segment

The operations of the Group are substantially carried out in Malaysia.

#### Financial period ended 30 September 2022

	Property development RM '000	Construction RM '000	Trading RM '000	Non- reportable segment RM '000	Elimination RM '000	Group RM '000
Sales to external customers	508,568	26,379	108,891	-	(11,823)	632,015
Inter-segment revenue	<u>21,316</u>	<u>210,460</u>	<u>(6,149)</u>	-	<u>(225,626)</u>	-
Total revenue	529,884	236,839	102,742	-	(237,449)	632,015
Gross profit	221,268	24,903	6,169	-	(17,452)	234,888
Other income	20,791	488	652	62,919	(64,998)	19,852
Administrative expenses	(24,073)	(4,859)	(2,015)	(9,875)	1,859	(38,963)
Selling and marketing expenses	(20,067)	-	-	-	221	(19,846)
Other expenses	(1)	-	-	-	-	(1)
Finance costs	(11,094)	(380)	(485)	(7,873)	9,285	(10,547)
Share of result of associates	-	-	-	-	(21)	(21)
Profit/(loss) before tax	<u>186,824</u>	<u>20,152</u>	<u>4,321</u>	<u>45,171</u>	<u>(71,106)</u>	<u>185,362</u>
Taxation						<u>(52,409)</u>
Profit after tax						<u>132,953</u>



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## EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS

### A11. Segment Revenue and Segment Result By Business Segments (cont'd)

(b) Secondary reporting format – geographical segment (cont'd)

#### Financial period ended 30 September 2021

	Property development RM '000	Construction RM '000	Trading RM '000	Non- reportable segment RM '000	Elimination RM '000	Group RM '000
Sales to external customers	454,185	83,810	82,233	-	(35,786)	584,442
Inter-segment revenue	44,955	227,107	2,705	-	(274,767)	-
Total revenue	499,140	310,917	84,938	-	(310,553)	584,442
Gross profit	210,308	33,164	6,546	-	(22,910)	227,108
Other income	11,720	5,962	1,744	5,459	(4,033)	20,852
Administrative expenses	(16,330)	(3,307)	(789)	(6,244)	1,234	(25,436)
Selling and marketing expenses	(13,199)	-	-	-	187	(13,012)
Other expenses	-	(442)	-	-	-	(442)
Finance costs	(8,873)	(129)	(316)	(9,628)	8,503	(10,443)
Profit/(loss) before tax	183,626	35,248	7,185	(10,413)	(17,019)	198,627
Taxation						(54,596)
Profit after tax						144,031

### A12. Valuation of property, plant and equipment

There was no revaluation of property for the current financial quarter under review.

### A13. Subsequent events

There were no significant events subsequent to the end of this financial quarter up to 14 November 2022 being the last practicable date from the date of issuance of this report.

### A14. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial quarter under review.

### A15. Capital commitment

There were no material capital expenditure commitments during the current quarter under review except for acquisition of development land authorised and contracted for amounting to RM83.99 million.

### A16. Related party transactions

Transaction with shareholders/directors of the company and its subsidiary companies, and with companies in which they have interest.

	3rd Quarter ended 30 September 2022 RM '000
Purchase of motor vehicle	80
Rental paid	1,001
Late payment charges	(22)
Rental received	(1,652)
Sale of material	(2,605)

### A17. Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2021.

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## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

### B1. Performance review

	3rd Quarter ended 30 Sep 2022 RM '000	3rd Quarter ended 30 Sep 2021 RM '000	Changes Increase / (Decrease) RM '000	%
<b>Revenue</b>				
Property development	134,723	145,119	(10,396)	(7.2)
Construction	5,960	12,791	(6,831)	(53.4)
Trading	41,723	27,246	14,477	53.1
<i>Intra-group elimination *</i>	(1,687)	61	1,748	2,865.6
Total revenue	180,719	185,217	(4,498)	(2.4)
<b>Profit before tax</b>				
Property development	54,992	58,194	(3,202)	(5.5)
Construction	8,074	6,960	1,114	16.0
Trading	1,673	1,813	(140)	(7.7)
Investment holding	21,637	(3,515)	(25,152)	715.6
<i>Intra-group elimination *</i>	(34,336)	(1,050)	33,286	(3,170.1)
Total profit before tax	52,040	62,402	(10,362)	(16.6)

\* *Intragroup elimination was performed in accordance to Malaysia Financial Reporting Standard ("MFRS") 10 : Consolidated Financial Statement*

For the current financial quarter ended 30 September 2022, the Group recorded a revenue of RM180.72 million representing a slight decrease of 2.4% as compared to preceding year corresponding quarter's revenue of RM185.22 million. The decrease in revenue contributed from property development was mainly due to the completion of 4 projects namely BBSAP Fasa 2B , 2C, 3B and Lagenda Teluk Intan Fasa 1 which were recognised in the preceding year corresponding quarter. However, the above mentioned completion were replenished by recognising 3 newly launched projects namely BBSAP Fasa 4A , Lagenda Tropika and Lagenda Teluk Intan Fasa 3A which the progressive revenue recognition were at commencement stage which has lead to the decrease in revenue.

The decrease in construction revenue from RM12.8 million to RM6 million for the quarter under review was mainly due to the recognition of a tail ending construction project compared to the peak recognition on the similar construction project during preceding year corresponding quarter.

For the current quarter under review, revenue from the Trading segment has increase by 53.1% to RM41.7 million which was mainly due to improvements in sales due to the resume in economy.

The Group recorded a profit before tax of RM52.04 million in the current financial quarter as compared to the profit before tax of RM62.40 million in the preceding year corresponding quarter. The decrease in profit before tax was mainly due to completions of the project mentioned above and a lower recognition from the new projects in the current financial quarter. However the increase in profit before tax in the Investment Holding segment were mainly due to the recognition of subsidiaries dividend which amounting to RM25 million and subsequently being eliminated under the intra-group transaction. The decrease in PBT was also contributed by investment in talents as the Group expands its workforce in preparation for multi states project launches in the coming quarters.

### B2. Material change in profit before taxation of the current quarter compared with the immediate preceding quarter

	3rd Quarter ended 30 Sep 2022 RM '000	2nd Quarter ended 30 Jun 2022 RM '000	Changes Increase / (Decrease) RM '000	%
<b>Revenue</b>				
Property development	134,723	224,809	(90,086)	(40.1)
Construction	5,960	11,920	(5,960)	(50.0)
Trading	41,723	31,580	10,143	32.1
<i>Intra-group elimination *</i>	(1,687)	(9,763)	(8,076)	82.7
Total revenue	180,719	258,546	(77,827)	(30.1)
<b>Profit before tax</b>				
Property development	54,992	77,811	(22,819)	(29.3)
Construction	8,074	6,185	1,889	30.5
Trading	1,673	775	898	115.9
Investment holding	21,637	(3,415)	25,052	(733.6)
<i>Intra-group elimination *</i>	(34,336)	(13,151)	21,185	(161.1)
Total profit before tax	52,040	68,205	(16,165)	(23.7)

\* *Intragroup elimination was performed in accordance to Malaysia Financial Reporting Standard ("MFRS") 10 : Consolidated Financial Statement*

For the current financial quarter ended 30 September 2022, the Group's revenue had decreased to RM180.72 million as compared to RM258.55 million reported in the immediate preceding quarter. The decrease in total group revenue was mainly due to a better sales conversion from completed units sold during last quarter which contributed RM53 million in revenue to the Property Development segment during the immediate preceding quarter under review.

The decrease in construction revenue from RM11.9 million to RM6 million for the quarter under review was mainly due to the recognition of a tail ending construction project compared to the higher recognition on the similar construction project during preceding quarter.

For the current quarter under review, revenue from the Trading segment has increase by 32.1% to RM41.7 million which was mainly due to improvements in sales due to the resume in economy.

The Group recorded a decrease in profit before tax amounting to RM52.04 million in the current financial quarter as compared to the profit before tax of RM68.21 million in the immediate preceding quarter mainly due to slower conversion of completed units compared to the last quarter.

# LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))  
(Incorporated in Malaysia)



## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

### B3. Commentary on prospects

The Group is focused on providing affordable landed housing, catering to the B40 and M40 income groups. Despite certain headwinds faced by the property industry, such as rising interest rates and stringent loan approvals, we remain confident on the demand for affordable housing. There is a shortage of housing within the B40 group's grasp across most states in Malaysia, leading to a large addressable market for Lagenda. Our niche focus on affordable landed housing allows us to remain somewhat insulated during challenging times. We see opportunities to increase our presence in more areas as the large majority of Malaysians continue to prioritise affordable living spaces with quality lifestyle facilities. We currently have a presence in two states and aim to venture into two additional new states in 2023.

Our first launch outside Perak for the new township Darulaman Lagenda in Sungai Petani, Kedah, was met with overwhelming demand with all 282 units booked within several days. This signals that Lagenda is on-track to replicate its business model and success in other states to achieve its vision of being a nationwide affordable housing developer. The Group is slated to launch another 1,000 units in Darulaman Lagenda imminently.

In 2022, we incurred upfront costs in preparation for multi-state project launches in the coming quarters. As of 30 September 2022, the Group's unbilled sales stood at RM653.6 million and the majority of this will translate into revenue in the coming quarters. Barring unforeseen circumstances, the Board expects the Group to achieve satisfactory results for this financial year.

### B4. Profit forecast

The Company did not issue any profit forecast during the current financial quarter under review.

### B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sep 2022 RM '000	Preceding Year Quarter 30 Sep 2021 RM '000	Current Year To Date 30 Sep 2022 RM '000	Preceding Year To Date 30 Sep 2021 RM '000
Deferred tax liabilities	442	(491)	935	712
Taxation	<u>(16,871)</u>	<u>(16,374)</u>	<u>(53,344)</u>	<u>(55,308)</u>
Income tax expenses	<u>(16,429)</u>	<u>(16,865)</u>	<u>(52,409)</u>	<u>(54,596)</u>
Effective tax rate	<u>31.6%</u>	<u>27.0%</u>	<u>28.3%</u>	<u>27.5%</u>

The tax charge for the Group reflects an effective tax rate which is higher than the statutory tax rate of 24% mainly due to certain expenses which are not deductible for tax purposes and the implication of one off Prosperity Tax for the year of assessment 2022

### B6. Details of Group Borrowings and Debt Securities

The group interest-bearing borrowings as at the end of the reporting period are as follows:

	Current year 30 Sep 2022 RM'000	Preceding year 30 Sep 2021 RM'000
<b>Current</b>		
Hire purchase payables	1,507	1,262
Revolving Credits	236,468	-
Finance lease	303	389
Banker's acceptance	10,857	11,002
Term loans	<u>32,723</u>	<u>19,343</u>
	<u>281,858</u>	<u>31,996</u>
<b>Non-current</b>		
Hire purchase payables	3,153	2,688
Finance lease	580	374
Term loans	<u>163,529</u>	<u>175,651</u>
	<u>449,120</u>	<u>210,709</u>

# LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)



## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

### B7. Corporate Proposals

- (a) On 9 August 2022, the Company via its wholly owned subsidiary namely TNSB has entered into a conditional sales and purchase agreement (“SPA”) with Ladang Awana Sdn Bhd (a related party) in relation to a proposed acquisition of 42 block titles of development/agricultural land measuring approximately 422 acres, all located within Mukim Durian Sebatang, Daerah Hilir Perak, Perak Darul Ridzuan for a total cash consideration of RM 92.4 million (“Proposed Acquisition 1”).

On 31 October 2022, an Extraordinary General Meeting (“EGM”) was held to vote for the resolution given in Proposed Acquisition 1 by way of poll voting. The above mentioned resolution was carried during the EGM on the same day. The Proposed Acquisition 1 is still conditional and expected to be completed by 1st half of 2023.

- (b) On 2 July 2021, Lagenda Mersing Sdn Bhd (“LMSB” or the “Purchaser”) a 70% subsidiary of the Company, had entered into 3 conditional sale and purchase agreements with Sunrise Mersing Sdn Bhd (“SMSB” or the “Vendor”), an indirect wholly-owned subsidiary of UEM Sunrise Berhad whereby the Vendor agreed to sell and the Purchaser agreed to purchase all three (3) parcels of freehold agriculture land held under H.S.(D) 2249 PTD 10944, H.S.(D) 2251 PTD 10946 and H.S.(D) 2252 PTD 10947, all under Mukim Mersing, Daerah Mersing, Johor, measuring approximately 431.09 acres in aggregate for a total cash consideration of RM45,068,918.40 or at RM2.40 per square foot (“Proposed Acquisition 2”). On 25 August 2022, the Proposed Acquisition 2 was completed via the settlement of the balance purchase consideration.

### B8. Financial instruments

There was no outstanding financial instruments as at the date of issue of this quarterly report.

### B9. Material Litigation

There was no pending material litigation as at the date of issue of this quarterly report.

### B10. Dividend

There was no dividend declared during the quarter under review.

### B11. Earnings per share

#### (i) Basic Earnings Per Share

The basic earnings per ordinary share were calculated by dividing the Group's net profit attributable to ordinary shareholders by the number of weighted ordinary shares in issue as follows:-

	Current Year 30 Sep 2022 Quarter	Preceding Year 30 Sep 2021 Quarter	Current Year 30 Sep 2021 To Date	Preceding Year 30 Sep 2021 To Date
Profit net of tax attributable to owners of the parent (RM'000)	<u>35,728</u>	<u>45,538</u>	<u>133,118</u>	<u>144,036</u>
Basic Weighted average number of ordinary share in issue ('000)	<u>836,474</u>	<u>793,947</u>	<u>836,474</u>	<u>793,947</u>
Basic earning per share (EPS) (sen)	<u>4.27</u>	<u>5.74</u>	<u>15.91</u>	<u>18.14</u>

#### (ii) Diluted Earning Per Shares

The diluted earnings per ordinary shares were calculated by dividing the Group's net profit attributable to ordinary shareholders by the number of weighted ordinary shares in issue as follows:-

	Current Year 30 Jun 2022 Quarter	Preceding Year 30 Jun 2021 Quarter	Current Year 30 Jun 2021 To Date	Preceding Year 30 Jun 2021 To Date
Profit net of tax attributable to owners of the parent (RM'000)	<u>35,728</u>	<u>45,538</u>	<u>133,118</u>	<u>144,036</u>
Weighted average number of ordinary share in issue ('000)	<u>1,001,990</u>	<u>1,055,130</u>	<u>1,001,990</u>	<u>1,055,130</u>
Diluted earning per share (EPS) (sen)	<u>3.57</u>	<u>4.32</u>	<u>13.29</u>	<u>13.65</u>

# LAGENDA PROPERTIES BERHAD

(Registration No. 200101000008(535763-A))

(Incorporated in Malaysia)



## ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

### B12. Notes to the Statement of Comprehensive Income

	<b>Current Quarter</b> <b>30 Sep 2022</b> <b>RM '000</b>	<b>Preceding Year</b> <b>Quarter</b> <b>30 Sep 2021</b> <b>RM '000</b>
Accretion of interest income on deferred other receivables	150	404
Bargain purchase on acquisition of a subsidiary	7,632	-
Gain on disposal of property, plant and equipment	-	163
Gain on remeasurement of lease liabilities	-	-
Interest income	780	620
Rental income	709	-
Auditors' remuneration	(83)	-
Depreciation of property, plant and equipment	(886)	(621)
Employee share-based payment	(877)	-
Interest expenses on:		
- accretion of interest on contingent consideration	(46)	(308)
- bank overdraft	-	-
- banker's acceptance	(150)	(86)
- bank guarantee commission	(94)	(20)
- lease liabilities	(76)	(73)
- term loan	(3,718)	(2,887)
Loss on remeasurement of lease liabilities	(375)	-

### B13. Auditors' Report on the Preceding Annual Financial Statements

There was no qualification in the audit report on the preceding audited annual financial statements.

### B14. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors of the Company on 21 November 2022.